

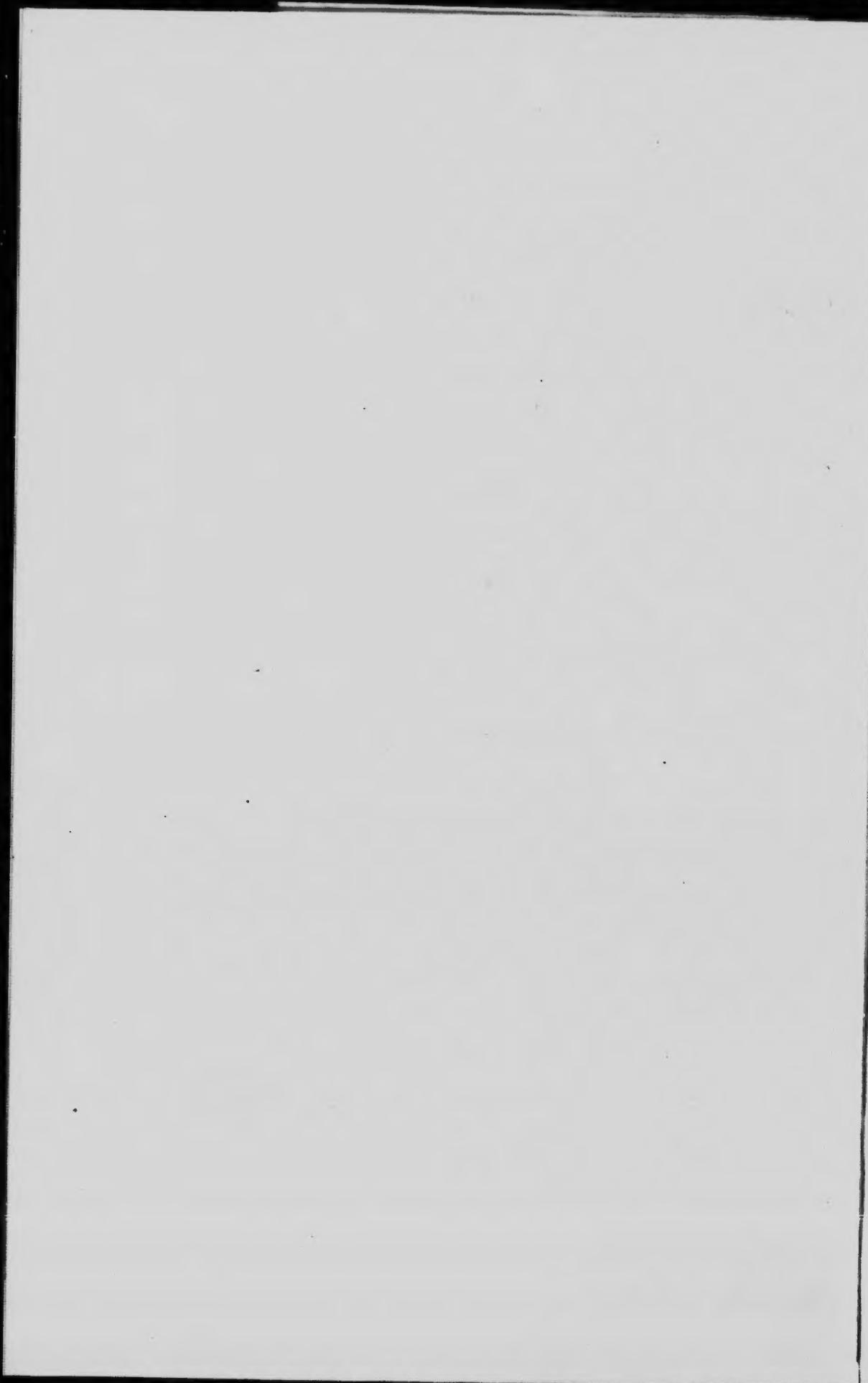
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Help

TWO-CENT-PER-MILE BILL

A

FEW SALIENT FACTS

IN CONCRETE FORM

ON BEHALF OF

THE RAILWAYS

For the sake of brevity and to enable those interested to read quickly a number of important facts there has not been an attempt made in this pamphlet to show in detail the mass of argument on which these statements are based.

ISSUED BY THE CANADIAN PACIFIC AND THE GRAND TRUNK RAILWAY COMPANIES

DECEMBER, 1908

1906

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1906

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TWO-CENT PER MILE BILL

A FEW SALIENT FACTS

n concrete form on behalf of

THE RAILWAYS

1.—ADVERSE WEATHER CONDITIONS DISCOURAGE TRAVEL.

Travel consists largely of pleasure seekers.

During one-third of the year—December, January, February and March—

There is very little travel for pleasure,

The passenger earnings are the least,

The expenses are the greatest.

The Railways must by law be kept open for traffic—

Although people don't want to travel for pleasure unless the weather conditions are suitable.

Although the expenses operating passenger service during these months frequently exceed the receipts.

It cost the Grand Trunk Railway \$1.25 to earn \$1.00 from its passenger trains (including receipts from passengers, mails and express) in February, 1905, and \$1.04 to earn \$1.00 in February, 1906.

The average cost October to March for the two years past (1904-05 and 1905-06) was about 95 cents of each dollar of passenger train earnings, yet weather conditions in both of these winters were comparatively favorable for railway operation.

In the winter of 1903-1904 it cost the Grand Trunk for removing snow on its Canadian lines \$379,000 in addition to the loss of traffic.

In what other business is it necessary to increase the expenses enormously when there is the least business offering?

a.—COST OF PASSENGER SERVICE HAS INCREASED ENORMOUSLY WITHIN PAST FEW YEARS.

Wages have increased.

Fuel costs more.

Passenger cars cost more.

Baggage cars cost more.

Sleeping cars cost more.

Locomotives cost more.

Cars are 50 per cent. heavier.

Trains are 50 per cent. heavier.

Heavier and more expensive rails are used.

The duty on coal paid to the Canadian Government by the Canadian Pacific and Grand Trunk last year amounted to the enormous sum of \$1,050,000; this aside from the duty paid by other Canadian railways. Michigan and Ohio railways pay no duty on coal.

The provincial taxes on the Grand Trunk lines in Ontario increased from \$13,000 in 1904 to \$178,000 in 1906.

Everything which enters into the cost of operating a railway has increased from 10 to 50 per cent.

And if it were as the promoter of the bill states (and it is not) that there had been no reduction in passenger rates in fifty years the railways should be commended for not increasing their rates to meet the increased cost of operation.

3.—DENSITY OF POPULATION ESSENTIAL FACTOR IN LOW PASSENGER RATES.

Density of population is to passenger train earnings just as necessary as good crops to freight earnings. The denser the population the greater the volume of travel.

Last year Massachusetts railways earned from passenger traffic \$37,399.- 209 on 4,962 single track miles, or \$7.537 per mile of road.

Last year Canadian railways earned from passenger traffic \$28,959,650 on 20,487 single track miles, or \$1,413 per mile of road.

On the same basis of population as the Massachusetts railways Canadian railways would have earned last year \$154,410,519 instead of \$28,959,650.

Last year the Massachusetts railways, representing four per cent. of the total single track mileage of the United States railways, earned eight per cent. of the total passenger revenue and carried nearly seventeen per cent. of the total passengers, yet up to this year (1906) the greatest of these Massachusetts railways (the New York, New Haven & Hartford Co.) out of 2,058 miles had a 2 cent per mile maximum on only 155 miles, or 7½ per cent of their total mileage.

The greater the number of trains per mile of railway operated at a profit the less the cost per train mile as the expenses for station and track service decrease per train mile as the volume of traffic increases.

The New York, New Haven & Hartford R.R. operated last year an average of 7,481 passenger train miles for each mile of single track against an average of 1,341 train miles on Canadian railways, yet the former earned \$1.55 per train mile as against \$1.19 by the Canadian railways, or 40 cents more per train mile, i.e., for each mile run by passenger trains.

Forty cents per train mile additional would have yielded last year to Canadian railways \$10,988,929, or, in round numbers, \$11,000,000 more than they received from passenger service.

Last year Massachusetts railways carried 25,037 passengers against 1,234 on Canadian railways for each mile of railway.

Ontario, Canada's most populous province, has an average of only 10 persons to each square mile of area, against 350 in Massachusetts; the present population of Massachusetts is estimated at 3,003,000, or about half the total population of Canada—6,000,000.

With more than five times the earnings and twenty times the number of passengers carried per mile of railway on Massachusetts compared with Canadian railways, the injustice of attempting to force a maximum of 2 cents per mile on Canadian railways must be clear to every fair minded person.

4—GROSS INJUSTICE OF A MAXIMUM TWO-CENT RATE.

Commercial business is permitted by general consent to proceed on the principle that the greater the demand the higher the price.

The Bill proceeds on the (want of) principle that no attention shall be paid to whether or not the people inhabiting any district are sufficient in number to support a main or branch line at any rate per mile.

For example: it is proposed that a two-cent rate shall apply to the North Shore of Lake Superior, Sudbury to Port Arthur, because there are some two-cent rates in the thickly populated States of

Pennsylvania	with	6,302,115	people.
New York	"	7,268,894	"
Massachusetts	"	2,805,346	"
		16,396,355	"
Total		16,396,355	"

14,157
18.6

three times the population of all Canada (5,371,315—census 1901).

The local travel originating in the district Sudbury to Port Arthur, 552 miles, can be likened to the number of people living on the Victoria or Lachine bridges.

A bridge carries trains, but does not produce local travel and the line Sudbury to Port Arthur performs the work of a bridge between the East and West but produces practically no local travel.

5.—FORCED REDUCTION OF MAXIMUM RATES INJURES RAILWAYS.

The promoter of the bill stated in parliament a few days ago:—

"I defy the representative of any railway company in Canada or the United States to show a case where the maximum standard passenger rate has been reduced that it has been to the detriment of the company."

He made a similar assertion in parliament in 1903, and when his passenger rate bill of that year was under consideration of the Railway Committee the following statement was made in behalf of the railways, which he did not attempt to and could not successfully challenge, viz.:—

"In the year ended December 31st, 1902, the railroads in Michigan (which are compelled to charge 2 cents per mile in part of that State when gross earnings of passenger trains exceed \$3,000 per year per mile of road) earned under this arbitrary law an average of only 86 cents per train mile from their passengers, against an average for all railroads in the United States of 96 cents.

"The railways in Canada in the year ended June 30th, 1902, earned from passengers only \$1,208 per mile of railroad, or only 40 per cent. of the amount fixed by the Michigan law as a basis for the two-cent a mile fare."

It does not require an expert to see that legislation which reduced the earnings of Michigan railways ten cents per train mile below the average of all the railways in the United States, was not only detrimental to the railways, but almost confiscatory and most discouraging to railway development.

Nearer home, we have convincing evidence of the same fallacy. Passenger fares in Quebec and Ontario were greatly reduced in 1898 owing to a dis-agreement between the two principal railways, with the result that while both carried more passengers for a time when it was thought by the public they would have the rates only for a short period, at the end of a few months the travel was about normal in numbers and unprofitable in earnings. The reduction lasted nine months and, in the aggregate, the Grand Trunk carried about half a million more passengers that year at increased cost and earned over one hundred thousand dollars less than in the preceding year. The Canadian Pacific experience was substantially similar.

**6.—VOLUNTARY REDUCED RATES ACCORDED BY RAILWAYS
MUST BE ADVANCED OR CUT OFF WHEN LOWER
MAXIMUM RATES ARE FORCED.**

The promoter of the bill states:—

"The law (in Ohio) went into force, the people got two cents a mile, the railroad (the Pennsylvania lines in Ohio) got more travel than it could carry, and not a single privilege that the people of Ohio enjoyed previous to that law going into force was abandoned."

The General Passenger Agent of the Pennsylvania lines authorizes the statement that when the 2-cent per mile maximum became the law in Ohio last March, every reduced fare within that State was cut off except for certain commutation and Sunday excursion tickets and for these the fares were advanced.

To benefit comparatively few transient passengers, the working people and vast majority of all classes who can afford to travel only at holiday seasons, and who formerly enjoyed 1½ cents per mile in Ohio, on such occasions as Decoration Day, Fourth of July, etc., now must pay 2 cents per mile.

If the maximum rate is reduced as proposed, the result would be that people of limited means would have to make up the deficit in earnings—the railways cannot discontinue their operations and must recoup themselves by restricting privileges and raising excursion fares they otherwise would be glad to accord.

Even in populous New England States and in New York and Pennsylvania at holiday times the people pay two cents per mile or more against an average of one and one-half cents on our railways in Quebec and Ontario.

7.—AN IMAGINARY DISCRIMINATION.

In introducing the bill the promoter stated:—

"Let me give a few other instances of gross discrimination by the railways—and now I include the Canadian Pacific Railway, which, with all the bonuses, land grants and special franchises given to it, is to-day carrying all the travel which originates in the United States and passes over its line through Canada at 2 cents a mile, but charges every Canadian travelling on the same trains and in the same coaches 3 1-3 cents a mile. Is that not a most unfair discrimination?"

Answer.

Yes, it would be unfair if it were true. For the year ended June 30, 1906, the Canadian Pacific carried 7,665,481 passengers, on its railway lines, earning revenue, a total distance of 859,011,930 miles at an average rate per mile of 1.80 cents and its total earnings from passengers excluding river and lake steamers were \$15,462,214.74

Had the Canadian Pacific charged 3 1-3 cents per mile to every passenger, as stated, its passenger earnings for the railway lines alone would have been 859,011,930 miles at 3 1-3c. 28,633,731.00

The statement is therefore wrong—a mere trifle of \$13,171,516.26

The promoter of the bill does not understand that only about one-fifth (1-5) of the total travel buy one-way first-class tickets and that the remaining four-fifths (4-5), made up of more than 17 classes of travellers, buy tickets at reduced rates, such as return tickets, commercial travellers, excursions, conventions, etc. If this were not so, the average rate per mile from passengers earning revenue could not be one and eight-tenths (1 8-10) cents.

8.—FACTS TWISTED AND WRONGLY STATED.

The promoter of the bill stated in Parliament:—

"The Grand Trunk has been carrying people for 2 cents a mile in Michigan**** If they can carry passengers there at 2 cents a mile why not here? If they can carry American traffic originating in the United States through Canada for 2 cents, why can they not carry Canadian?**** Why should we for one moment hesitate in saying to this corporation (the Grand Trunk): 'You must at least give Canadians the same rates that you give to Americans, and you must give Canadians the same rate on your lines in Canada that you give to every one on your lines in the United States.'"

The Grand Trunk has a forced maximum rate of two cents per mile on about 30 per cent. of its mileage in Michigan, which is only about 22 per cent. of its mileage in the United States.

Its prevailing maximum in Maine, New Hampshire and Vermont is 3 1-3 cents. In New York and on the large part of its Michigan mileage 3 cents.

On 222 miles of main line in Michigan it is compelled by an unjust law, referred to elsewhere in this pamphlet, to charge a maximum of two cents, but conditions in Michigan are more favorable to passenger earnings than in Canada.

Michigan has 43 against Ontario 10 persons to each square mile.

Michigan railways receive from the Government for carrying mails an average of \$156 per mile of track over which mails are carried; Ohio railways receive \$547 per mile; and the Grand Trunk in Canada only \$112 per mile; the Canadian Pacific receives \$70 per mile.

Michigan and Ohio railways pay no duty on coal. The C.P.R. and G.T.R. paid \$1,050,000 duty in 1905.

**9.—OVERCROWDING OF COACHES RARE; CHIEFLY DUE TO
VERY LOW EXCURSION RATES AT HOLIDAY SEASONS.**

It is not denied that occasionally coaches are over-crowded, but it is rare and chiefly due to the very low excursion rates (averaging about 1 1-2 cents per mile) voluntarily granted by the railways at holiday seasons, which are of special benefit to the working classes and others of limited incomes who generally cannot afford to travel at any cost and lose their pay as well at other times.

That overcrowding is not frequent is proved by the fact that the average number of passengers per car mile is extremely small; for example, on Canadian Pacific only 15 1-3 passengers against average seating capacity of 50 passengers per coach.

**10.—IMPORTANT FACT—DAILY RETURN TICKETS SOLD AT
REDUCED FARES.**

An important fact always to be kept in mind when considering the maximum rate per mile in Canada is the voluntary sale to all classes every day between all stations and for all trains on Canadian railways of first-class round trip tickets, with the liberal limit of one month, at an average of about 2½ cents per mile.

Comparatively few persons purchase single tickets—the vast majority desire to return within a short time, and the daily return tickets supplemented by the frequent excursions at still lower fares are a great accommodation and saving to the travelling public, and the fact must not be lost sight of that these voluntary reductions at present reduce the actual average rate per mile per passenger received, considerably below two cents.

II.—THERE HAS BEEN A CONSIDERABLE REDUCTION IN PASSENGER RATES IN 20 YEARS.

The promoter states:—

“ In all of the fifty years during which we have had railways in this country there has never been a reduction amounting to anything in passenger rates.”

The facts are

Taking one illustration only:

In 1885 the Canadian Pacific average rate per passenger per mile was 2.45 cents.

For year ended June 30, 1906, that company carried

7,665,481 passengers earning revenue on its railway lines, a total distance of 859,011,930 miles, at an average rate of 1.80 cents.

Reduction in average rate per mile 0.65 cent.

Had the Canadian Pacific received the same average rate per mile in 1906 that it received in 1885 the earnings would have been \$5,583,577.54 greater than they were, viz. :

$$859,011,930 \times 0.65 = \$5,583,577.54$$

This sum is nearly equivalent to \$1.00 per head of the entire population of Canada—Who got the \$5,583,000.00 ?—the Company did not, therefore the public must have saved that sum by a reduction of passenger rates.

And it is scarcely necessary to compare the comforts, speed, number of passenger trains, and safety on all Canadian railways with the conditions of twenty years ago.

Is any further comment necessary ?

**12.—THERE HAS BEEN GREAT IMPROVEMENT IN LOCAL AS
WELL AS THROUGH PASSENGER SERVICE.**

The promoter of the bill states:—

"The answer of the railway companies is that they have so much to do in expanding their systems that they have not the time to look after local trains and improve the present traffic but must direct all their efforts to a short journey across the continent. What they should do is look after the traffic they have and then let them expand their business as they please."

Answer.

If more local trains now than there were,

If local **passenger** trains now substituted in numerous instances in place of mixed trains,

If larger, more comfortable, better lighted and better heated cars are now run,

If faster trains now than there were formerly,

Mean an improvement or mean anything, (and all these results have been attained and are being added to each year), then his statement is very wide of the mark.

The mixed train mileage of all Canadian railways was

9,530,816	miles	in	1904
6,133,098	"	"	1905

Decrease 3,397,718, equal to 36 per cent.

13.—SANITATION AND VENTILATION RECEIVING FULL CONSIDERATION.

The railways have not been unmindful of sanitation and ventilation, and have made many experiments but have yet to learn of any so-called system that is a distinct improvement on the present conditions in Canada.

If the promoter of the bill knows of any practicable systems of ventilation or heating which are suitable to the Canadian climate and better than those in use in Canada he is invited to give the information to the railway management—if he does not he should explain any practicable way under present conditions of obtaining the result—a personal test of the difficulty of securing adequate ventilation in cold weather without incurring serious complaints from passengers who object to drafts is earnestly requested.

14.—OHIO AND MICHIGAN COMPARED WITH CANADA

	Ohio.	Michigan.	Canada.
Population to square mile of area.....	102	43	1.4
Miles of passenger trains run per mile of road....	3043	1633	1340
Earnings of passenger trains from passengers, mails and express per mile of road.....	\$3071	\$1724	\$1606
Government pay for mail service:			
Per train mile	20c.	9.2c. (a)	6c.
Per mile of road	\$547	\$156 (a)	\$112. (b) \$ 70.
(a) Grand Trunk in Canada.	(b) Canadian Pacific in Canada.		

Had the Canadian Pacific and Grand Trunk been paid for mail service the same rate as the railways in Ohio per mile of road they would have received last year \$6,248,928, instead of \$1,281,124, or \$4,967,804 more; if they had been paid the same as the Michigan railways they would have received \$1,782,144, instead of \$1,281,124, or \$501,020 more.

Notwithstanding the much greater amounts paid by the Government for mail service in Ohio and Michigan the railways in these States pay the Government no duty on coal. The duty on coal paid to the Canadian Government by the Canadian Pacific and Grand Trunk Railways last year amounted to \$1,050,000.

The greater amount received by the railways in Ohio, compared with the Canadian Pacific and Grand Trunk for mails, plus the duty on coal paid by these two Canadian railways, would have yielded the two Canadian railways \$6,017,804 more last year; compared with the railways in Michigan this would have yielded the Canadian railways \$1,551,020 more last year.

